

**MINUTES OF MEETING  
OF THE  
KENTUCKY RETIREMENT SYSTEMS  
INVESTMENT COMMITTEE  
FEBRUARY 3, 2015 AT 9:00 A.M., E.T.  
BOARD ROOM, 1270 LOUISVILLE ROAD  
FRANKFORT, KENTUCKY 40601**

At the meeting of the Kentucky Retirement Systems Investment Committee held on February 3, 2015, the following members were present: Dr. Daniel Bauer, Chair; Sec. Timothy Longmeyer, Tommy Elliott, JT Fulkerson, Mary Helen Peter, Joseph Hardesty and Bill Summers. Staff members present were: David Peden, Brent Aldridge, Joe Gilbert, Bill Murnighan, Lisa Watkins, Terry Metcalf, Rich Robben, Andy Kiehl, Alane Foley, Erica Bradley, Connie Davis, Brian Thomas, Karen Roggenkamp and Bill Thielen. Also present: Tony Johnson of R.V. Kuhns & Associates, Inc., Gailen Krug of Albourne Financial, Tad Furgesson of PCA and Jonathon Berns and Ed Schwartz of ORG.

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Dr. Bauer called the meeting to order, Alane Foley called roll then Dr. Bauer introduced the agenda item Approval of Minutes. Mr. Elliott moved and was seconded by Sec. Longmeyer to approve the minutes of the November 5, 2014 meeting. The motion passed unanimously.

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Mr. David Peden reviewed the Standard Reports. These were for informational purposes only.

Discussions took place regarding the handling of future annual reviews and how to properly fit them into the meeting schedule.

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Mr. David Peden introduced Rich Robben, Deputy Chief Investment Officer and Fixed Income Assets and Andy Kiehl, Senior Investment Analyst. Also, the Committee was updated regarding movement within the investment staff. Brent Aldridge is now Director of Real Estate and Real Return. Bill Murnighan is now a Senior Analyst acting as Director of Private Equity in the interim.

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Mr. Tony Johnson with RVK gave the Committee an overview of what to expect in the event of an external audit. This was for informational purposes only.

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Mr. David Peden provided an update regarding Transition Management. He is requesting approval to hire State Street as a Transition Manager for temporary mandates. Mr. Fulkerson moved and was seconded by Dr. Bauer to hire State Street as a Transition Manager. The motion passed unanimously.

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Mr. Joe Gilbert and Mr. Tony Johnson with RVK reviewed Internal US Mid Cap Allocation. They are recommending that the staff replicate the S&P 400 in house opposed to maintaining the current Exchange Traded Fund. Mr. Elliott moved and was seconded by Sec. Longmeyer to handle the US Mid Cap Allocation in house. The motion passed unanimously.

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Mr. Joe Gilbert and Mr. Tony Johnson with RVK are recommending termination of Pyramis Global Advisors who currently manages an active Non-US Equity mandate for both Pension and Insurance portfolios. KRS is recommending reallocation of these funds to American Century Investments and Franklin Templeton at a 60/40 basis. Mr. Fulkerson moved and was seconded by Mr. Hardesty to terminate Pyramis Global Advisors and reallocate the funds to American Century Investments and Franklin Templeton at a 60/40 basis. The motion passed unanimously.

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Mr. David Peden and Mr. Tony Johnson with RVK provided a PIMCO update. KRS is recommending termination of PIMCO and reallocating the funds to Manulife and NISA. Mr. Fulkerson moved and was seconded by Mr. Hardesty to terminate PIMCO and reallocate the funds. The motion passed unanimously.

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Mr. David Peden provided an Absolute Return Manager Update. This was for informational purposes only.

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Mr. David Peden introduced Jonathon Berns and Ed Schwartz with ORG, they provided an educational piece on Real Estate Co-Investments. KRS is requesting approval to move forward with Real Estate Co-Investment Opportunities. Mr. Elliott moved and was seconded by Mr. Hardesty to move forward with Real Estate Co-Investment Opportunities. The motion passed unanimously.

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Ms. Erica Bradley reviewed the Compliance Report. This was presented for informational purposes only.

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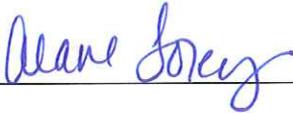
Ms. Erica Bradley provided a presentation regarding the Personal Securities Trading Policy. Mr. Elliott moved and was seconded by Dr. Bauer to accept recommended changes with an exception regarding Trustees providing statements. The motion passed unanimously.

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There being no further business, Dr. Bauer adjourned the meeting at 12:01 p.m. The next scheduled quarterly meeting of the Investment Committee is May 5, 2015 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of February 3, 2015.

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I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.



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Recording Secretary

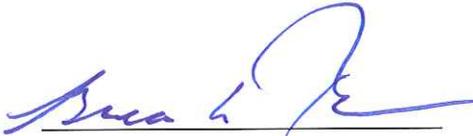
I, Chair of the Investment Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on February 3, 2015 were approved by the Investment Committee on May 5, 2015.



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Investment Committee Chair

I, Brian Thomas, have reviewed the Minutes of the Investment Committee Meeting held on February 3, 2015, for form, and legality.



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General Counsel